

State Budget Office  
**Office of Regulatory Reinvention**  
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**REGULATORY IMPACT STATEMENT  
and COST-BENEFIT ANALYSIS (RISCBA)**

**PART 1: INTRODUCTION**

Under the Administrative Procedures Act (APA), 1969 PA 306, the agency that has the statutory authority to promulgate the rules must complete and submit this form electronically to the Office of Regulatory Reinvention (ORR) at [orr@michigan.gov](mailto:orr@michigan.gov) no less than 28 days before the public hearing.

**1. Agency Information**

Agency name:	Licensing and Regulatory Affairs		
Division/Bureau/Office:	Bureau of Professional Licensing		
Name, title, phone number, and e-mail of person completing this form:	Weston J. MacIntosh Senior Policy Analyst (517) 241-9269 <a href="mailto:macintoshw1@michigan.gov">macintoshw1@michigan.gov</a>		
Name of Departmental Regulatory Affairs Officer reviewing this form:	Liz Arasim		

**2. Rule Set Information**

ORR assigned rule set number:	2018-107 LR
Title of proposed rule set:	Psychology – General Rules

**PART 2: KEY SECTIONS OF THE APA**

**24.207a “Small business” defined.**

Sec. 7a. “Small business” means a business concern incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated, and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00.

**24.240 Reducing disproportionate economic impact of rule on small business; applicability of section and MCL 24.245(3).**

Sec. 40. (1) When an agency proposes to adopt a rule that will apply to a small business and the rule will have a disproportionate impact on small businesses because of the size of those businesses, the agency shall consider exempting small businesses and, if not exempted, the agency proposing to adopt the rule shall reduce the economic impact of the rule on small businesses by doing all of the following when it is lawful and feasible in meeting the objectives of the act authorizing the promulgation of the rule:

- (a) Identify and estimate the number of small businesses affected by the proposed rule and its probable effect on small businesses.
  - (b) Establish differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.
  - (c) Consolidate, simplify, or eliminate the compliance and reporting requirements for small businesses under the rule and identify the skills necessary to comply with the reporting requirements.
  - (d) Establish performance standards to replace design or operational standards required in the proposed rule.
- (2) The factors described in subsection (1)(a) to (d) shall be specifically addressed in the small business impact statement required under section 45.
- (3) In reducing the disproportionate economic impact on small business of a rule as provided in subsection (1), an agency shall use the following classifications of small business:

- (a) 0-9 full-time employees.
- (b) 10-49 full-time employees.
- (c) 50-249 full-time employees.

(4) For purposes of subsection (3), an agency may include a small business with a greater number of full-time employees in a classification that applies to a business with fewer full-time employees.

(5) This section and section 45(3) do not apply to a rule that is required by federal law and that an agency promulgates without imposing standards more stringent than those required by the federal law.

**MCL 24.245 (3)** Except for a rule promulgated under sections 33, 44, and 48, the agency shall prepare and include with the notice of transmittal a **regulatory impact statement** which shall contain specific information (information requested on the following pages).

[**Note:** Additional questions have been added to these statutorily-required questions to satisfy the **cost-benefit analysis** requirements of Executive Order 2011-5].

**MCL 24.245b Information to be posted on office of regulatory reinvention website.**

Sec. 45b. (1) The office of regulatory reinvention shall post the following on its website within 2 business days after transmittal pursuant to section 45:

- (a) The regulatory impact statement required under section 45(3).
  - (b) Instructions on any existing administrative remedies or appeals available to the public.
  - (c) Instructions regarding the method of complying with the rules, if available.
  - (d) Any rules filed with the secretary of state and the effective date of those rules.
- (2) The office of regulatory reinvention shall facilitate linking the information posted under subsection (1) to the department or agency website.

**PART 3: AGENCY RESPONSE**

Please provide the required information using complete sentences. **Do not answer any question with “N/A” or “none.”**

**Comparison of Rule(s) to Federal/State/Association Standards:**

1. Compare the proposed rule(s) to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

There are no parallel federal rules or standards set by a state or national licensing agency or accreditation association.

**A. Are these rule(s) required by state law or federal mandate?**

The rules are required to be promulgated under state law, including MCL 333.16145, 333.16148, 333.18201, 333.18223, and 333.18233, as well as Executive Reorganization Order Nos. 1991-9, 1996-2, 2003-1, and 2011-4, MCL 338.3501, 445.2001, 445.2011, and 445.2030. Under MCL 333.16145, a board may promulgate rules necessary or appropriate to fulfill its functions under the Public Health Code.

The rules are not required by federal mandate.

- B. If these rule(s) exceed a federal standard, identify the federal standard or citation, describe why it is necessary that the proposed rule(s) exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.**

The rules do not exceed a federal standard or law.

2. Compare the proposed rule(s) to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

Licensure of psychologists is required in Michigan under MCL 333.18201. The rules provide the conditions and requirements for licensure, relicensure, and renewal.

All 7 of the other Great Lakes states have rules regulating the licensing of psychologists, as listed below:

- Illinois – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school, participate in supervised experience, and pass the Examination for Professional Practice in Psychology (EPPP) developed by the Association of State and Provincial Psychology Boards (ASPPB) prior to obtaining full licensure. Licensees must complete 24 hours of continuing education every two years.

- Indiana – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school and pass the EPPP prior to obtaining full licensure. Psychologists who are endorsed as health service providers in psychology (HSPP) must complete 40 hours of continuing education during every 2 year license period.

- Minnesota – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school, participate in supervised experience, and pass the EPPP prior to obtaining full licensure. Licensees must complete 40 hours of continuing education every two years.

- New York – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school, participate in supervised experience, and pass the EPPP prior to obtaining full licensure. There are no continuing education requirements for licensees.

- Ohio – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school, participate in supervised experience, and pass the EPPP prior to obtaining full licensure. Applicants for licensure as a school psychologist must generally hold a master's level school psychology degree from an accredited school, participate in 4 years of school psychology experience, and pass both a school psychologist and a laws and rules examination. Psychologist licensees must complete 23 hours of continuing education every two years.

- Pennsylvania – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school, participate in supervised experience, and pass the EPPP prior to obtaining full licensure. Licensees must complete 30 hours of continuing education every two years.

- Wisconsin – Applicants for licensure must generally hold a doctoral level psychology degree from a qualifying or accredited school, participate in supervised experience, and pass the EPPP prior to obtaining full licensure. Licensees must complete 40 hours of continuing education every two years.

When compared to other Great Lakes states, Michigan's licensure requirements for doctoral level trained psychologists is similar to other Great Lakes states. Michigan and Ohio, however, are the only two Great Lakes states that also license master's level trained psychologists, and the exception in Ohio only pertains to school psychologists. Continuing education requirements are similar to Great Lakes states where continuing education is also required.

The proposed rules are consistent with the rules of those states where psychologists are also regulated. Under statute, Michigan allows the limited licensure of master's level trained psychologists.

A. If the rule(s) exceed standards in those states, explain why and specify the costs and benefits arising out of the deviation.

Promulgation of rules related to licensure is required under statute. The rules do not exceed the licensing requirements of other states where licensure is required.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rule(s).

There are no federal regulations for psychologists. R 338.2527, which pertains to prohibited conduct, is being rescinded because it is unnecessary and duplicative of statute. There are no other laws, rules, or other legal requirements that duplicate, overlap, or conflict with the proposed rules.

A. Explain how the rule has been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

Applicable statutory law was reviewed to avoid unnecessary duplication in the rules.

**Purpose and Objectives of the Rule(s):**

4. Identify the behavior and frequency of behavior that the proposed rule(s) are designed to alter.

The specific topics that the proposed rules address and the purpose of the proposed rules is set forth below:

R 338.2521. This rule pertains to definitions. It sets forth an explanation of specific terms used throughout the set. Clarification of some of the terms used in the rule set have been made, including the meaning of the term “extreme hardship” and what types of entities qualify as an “organized health care setting.”

R 338.2523. This rule pertains to an English language requirement. It sets forth the requirement for English language proficiency. Typographical revisions have been made.

R 338.2525. This rule pertains to identifying human trafficking. It sets forth the requirements for training on human trafficking. The current rule doesn’t clearly specify information as to when this training must be obtained. The proposed human trafficking rule indicates the renewal cycle year that applicants for license renewal will have to obtain the training, as well as the date after which applicants for initial licensure will have to obtain the training. The proposed rule will provide notice to applicants for initial licensure and license renewal of the timelines for obtaining the required training.

R 338.2527. This rule pertains to prohibited conduct. It sets forth conduct that can result in discipline. This rule is being rescinded because it is unnecessary and duplicative of statute.

R 338.2529. This rule pertains to accreditation standards. It sets forth the requirements that must be met for accredited programs. This rule will be amended to provide updated accreditation standards for educational programs, which are adopted by reference.

R 338.2541. This rule pertains to accreditation standards for doctoral level educational programs. It sets forth the requirements that must be met for accredited programs. This rule will be amended to provide updated accreditation standards for educational programs, which are adopted by reference. It also adds the standards of the psychological accreditation system (PCSAS) as another approved accrediting body.

R 338.2543. This rule pertains to the application for a doctoral level trained psychology license. It sets forth the requirements that must be met in order to receive a license. The amendment to this rule sets forth the criteria that an applicant must provide to the board, so that the board can properly evaluate a postdoctoral internship.

R 338.2545. This rule pertains to examination scores for applicants. It sets forth the requirements that must be met in order to receive a passing score. The acronyms for the examination developer have been capitalized, to be consistent with other typographical changes made throughout the rules set.

R 338.2547. This rule pertains to examination eligibility. It sets forth the requirements that must be met in order to sit for the examination. Grammatical changes have been made to the rule, to make it more consistent with the rest of the rule set.

R 338.2549. This rule pertains to foreign graduates of non-accredited schools. It sets forth the requirements that must be met in order to qualify for a psychology license. Citations to other applicable rules have been updated, to reflect corresponding revisions.

R 338.2551. This rule pertains to licensure by endorsement. It sets forth the requirements that must be met in order to qualify for a license through endorsement. It modifies the qualification for licensure by endorsement to require at least 10 years of licensed independent practice and the holding of a current license in the independent practice of psychology, as opposed to simply holding a current health service provider credential issued by the national register of health service psychologists.

R 338.2553. This rule pertains to an educational limited license for postdoctoral experience. It sets forth the requirements that must be met in order to qualify for a postdoctoral educational limited license, as well as the required setting and circumstances of the experience. It also adds criteria that must be included by the applicant for the board to consider an alternative supervision arrangement.

R 338.2555. This rule pertains to relicensure for a postdoctoral educational limited license. It sets forth the requirements that must be met for relicensure to be granted. It adds the requirements that the applicant must provide fingerprints and evidence of good moral character in support of the application for relicensure.

R 338.2561. This rule pertains to applications for limited license psychologists. It sets forth the requirements that must be met in order to qualify for licensure. It adds criteria that must be included by the applicant for the board to consider approval of a post-degree practicum, in lieu of a practicum that was an integrated part of a master's degree program.

R 338.2563. This rule pertains to examination scores for applicants seeking a limited license. It sets forth the requirements that must be met in order to receive a passing score. The acronyms for the examination developer have been capitalized, to be consistent with other typographical changes made throughout the rules set.

R 338.2565. This rule pertains to examination eligibility for applicants seeking a limited license. It sets forth the requirements that must be met in order to sit for the examination. Grammatical changes have been made to the rule, to make it more consistent with the rest of the rules set.

R 338.2567. This rule pertains to foreign graduates of non-accredited schools seeking a limited license. It sets forth the requirements that must be met in order to qualify for a psychology license. Citations to other applicable rules have been updated, to reflect corresponding revisions.

R 338.2569. This rule pertains to applications for a temporary limited license. It sets forth the requirements that must be met in order to qualify for a temporary limited license. Recent statutory changes have been incorporated in to the rule, including allowing temporary limited licenses to be issued not only for applicants seeking to fulfill their required post-master's degree experience, but also for students who are currently enrolled in an eligible doctoral degree program. The rule adds requirements related to accreditation of eligible educational programs. The post-master's degree experience requirements regarding minimum and maximum hours per week have been removed. Amendment to the rule also adds criteria that must be included by the applicant, in order for the board to properly consider approval of an alternative supervision arrangement.

R 338.2571. This rule pertains to limited license supervision requirements. It sets forth the requirements that must be met for proper supervision of licensees holding limited licenses. The rule adds criteria that must be included by a licensee for the board to consider approval of an alternative supervision arrangement.

R 338.2573. This rule pertains to relicensure for limited licenses. It sets forth the requirements that must be met for a former limited licensee to be relicensed. It adds the requirements that the applicant must provide fingerprints and evidence of good moral character in support of the application for relicensure.

R 338.2581. This rule pertains to license renewals. It sets forth the requirements that must be met for renewal of a license. It clarifies the requirement that proof of continuing education must be retained for a minimum of 4 years from the date of applying for license renewal.

R 338.2583. This rule pertains to acceptable continuing education. It sets forth the requirements that must be met for a continuing education program to be considered in satisfaction of continuing education requirements. Clarification is added that there are no restrictions related to earning continuing education credits through online means. The revised rule expands the list of providers that are eligible for both approving or offering continuing education programs. The rule clarifies requirements related to providing proof of the acquired continuing education credits, includes additional means of acquiring continuing education credits, and updates citations to other applicable rules, reflecting the corresponding revisions to the rules set.

R 338.2585. This rule pertains to approval of continuing education providers. It sets forth the requirements that must be met for the board to consider granting approval of a continuing education program offered by a potential provider. It sets forth the criteria that a provider must provide to the board, so the board can properly consider whether the proposed continuing education program is appropriate.

**A. Estimate the change in the frequency of the targeted behavior expected from the proposed rule(s).**

Promulgation of rules related to licensure is required under statute. This provides a regulatory framework for the practice of psychology. The proposed changes should provide greater clarity to licensees and assist them with understanding and complying with requirements under the rules.

**B. Describe the difference between current behavior/practice and desired behavior/practice.**

The practice of psychology is regulated by statute. This mandates licensure for provision of those services. Updating standards of educational programs and adding clarifications regarding points that may have been ambiguous under prior rules, including the requirements of providing fingerprints and establishing good moral character for the purposes of relicensure, helps add clarity and certainty to the rules, which will make compliance easier for applicants and licensees.

**C. What is the desired outcome?**

Individuals who wish to practice as psychologists will be regulated. By improving and clarifying the rules, applicants and licensees should find compliance easier. This should result in fewer questions, fewer regulatory problems, and greater safety and protection of the public.

5. Identify the harm resulting from the behavior that the proposed rule(s) are designed to alter and the likelihood that the harm will occur in the absence of the rule.

The use of outdated rules that do not comport with the statutes governing the practice of psychology creates conflict and confusion for psychologists. The proposed rule set updates the previously adopted rules. Specifically, changes have been made to address the following:

R 338.2521. This rule pertains to definitions. Terms used in the rule set without further definition can create confusion for applicants and licensees. The proposed changes provide clarification regarding the use of certain terms, including board, code, department, extreme hardship, and organized health care setting.

R 338.2523. This rule pertains to an English language requirement. An English language standard ensures licensees can adequately communicate with their patients.

R 338.2525. This rule pertains to identifying human trafficking. A rule without specific compliance dates can create confusion for applicants and licensees. Including specific dates of promulgation aids applicants and licensees in following this rule.

R 338.2527. This rule pertains to prohibited conduct. This rule is being rescinded. Removing unnecessary and duplicative rules creates a less cumbersome regulatory framework for licensees to follow.

R 338.2529. This rule pertains to accreditation standards. Outdated standards provide little help or guidance regarding proper training of psychologists. The updated standards ensure future licensees are properly qualified.

R 338.2541. This rule pertains to accreditation standards for doctoral level educational programs. Outdated standards provide little help or guidance regarding proper training of psychologists. The updated standards ensure future licensees are properly qualified.

R 338.2543. This rule pertains to the application for a doctoral level trained psychology license. Updating corresponding rule cross-references and adding criteria for board consideration of a postdoctoral internship gives applicants better guidance on how to fulfill the requirements of licensure.

R 338.2545. This rule pertains to examination scores for applicants. The use of updated acronyms and references add consistency across the rule set.

R 338.2547. This rule pertains to examination eligibility. Updated grammatical changes add consistency and clarity across the rule set.

R 338.2549. This rule pertains to foreign graduates of non-accredited schools. Updating corresponding rule cross-references add consistency to the rule set.

R 338.2551. This rule pertains to licensure by endorsement. Providing a requirement of proof of current licensure ensures that the applicant is adequately qualified before seeking to practice in this state.

R 338.2553. This rule pertains to an educational limited license for postdoctoral experience. The addition of criteria for requesting an alternative supervision arrangement provides guidance to the applicant navigating the licensing process.

R 338.2555. This rule pertains to relicensure for a postdoctoral educational limited license. The previous version of the rule failed to include all statutory requirements for relicensure. The proposed changes incorporate the needed statutory requirements under MCL 333.16201.

R 338.2561. This rule pertains to applications for limited license psychologists. The addition of criteria for requesting board approval of a post-degree practicum provides guidance to the applicant navigating the licensing process.

R 338.2563. This rule pertains to examination scores for applicants seeking a limited license. The use of updated acronyms and references add consistency across the rule set.

R 338.2565. This rule pertains to examination eligibility for applicants seeking a limited license. Updated grammatical changes add consistency and clarity across the rule set.

R 338.2567. This rule pertains to foreign graduates of non-accredited schools seeking a limited license. Updating corresponding rule cross-references add consistency to the rule set.

R 338.2569. This rule pertains to applications for a temporary limited license. Incorporating corresponding statutory changes creates consistency and clarity for the licensee. Including information in the rule related to eligible accredited programs and the addition of criteria for requesting an alternative supervision arrangement provides guidance to the applicant navigating the licensing process.

R 338.2571. This rule pertains to limited license supervision requirements. The addition of criteria for requesting an alternative supervision arrangement provides guidance to the applicant navigating the licensing process.

R 338.2573. This rule pertains to relicensure for limited licenses. The previous version of the rule failed to include all statutory requirements for relicensure. The proposed changes incorporate the needed statutory requirements under MCL 333.16201.

R 338.2581. This rule pertains to license renewals. The updated minimum retention period will help licensees better understand his or her responsibilities, in the event of an audit.

R 338.2583. This rule pertains to acceptable continuing education. Clarification regarding the use of online continuing education, as well as the addition of other approved continuing education providers, aids the licensee in continuing education compliance.

R 338.2585. This rule pertains to approval of continuing education providers. Providing a mechanism for those continuing education providers who are not already pre-approved to seek consideration by the board allows even more opportunities for licensees to meet continuing education requirements.

**A. What is the rationale for changing the rule(s) instead of leaving them as currently written?**

The proposed rule set updates outdated standards, corrects typographical errors, and provides clarity to all rules pertaining to licensure.

6. Describe how the proposed rule(s) protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

The proposed rules provide a regulatory mechanism for the practice of psychology. To protect the health, safety, and welfare of Michigan's citizens, it is important that members of the profession adhere to educational and professional standards.

7. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

R 338.2527. This rule pertains to prohibited conduct. It sets forth conduct that can result in discipline. This rule is being rescinded because it is duplicative of MCL 333.16221.

**Fiscal Impact on the Agency:**

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursement rates, etc. over and above what is currently expended for that function. It does not include more intangible costs or benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

8. Describe the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings).

There is no expected fiscal impact on the agency for promulgating the proposed rules.

9. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rule(s).

There has been no agency appropriation for the proposed rules because there are no expected agency expenditures associated with the proposed rules.

10. Describe how the proposed rule(s) is necessary and suitable to accomplish its purpose, in relationship to the burden(s) it places on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

The proposed rules provide a mechanism for the licensing and regulation of individuals in this state, as required by statute. Applicants and licensees will continue to have a cost related burden associated with initial licensing, renewal, or relicensure. The cost of licensure for a Master's Ed. Ltd. (T.L.L.P.) is \$100.70. The cost of licensure of a Master's Ltd. Psychologist is \$127.25. The cost of licensure of a Master's Ltd. – Relicensure is \$147.25. The cost of licensure of a Doctoral Ed. Ltd. (T.L.L.P.) is \$100.70. The cost of licensure of a Doctoral Ed. Ltd. (Postdoctoral) is \$95.40. The cost of licensure of a Doctoral Ed. Ltd. – Relicensure is \$115.40. The cost of licensure of a Psychologist – by examination is \$159.05. The cost of licensure of a Psychologist – by endorsement is \$159.05. The cost of licensure of a Psychologist – Relicensure is \$179.05.

- A. Despite the identified burden(s), identify how the requirements in the rule(s) are still needed and reasonable compared to the burdens.

The rules are required by statute to provide a mechanism for licensing and regulation of the profession. The rules are not more restrictive than permitted by statute. Despite the cost related burden of licensing, the rules and regulations are necessary in order to provide a framework of standards for educational and licensure requirements.

**Impact on Other State or Local Governmental Units:**

11. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for such other state or local governmental units as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

There is no expected increase or decrease in revenues to other state or local government units, nor are there cost increases or reductions on other state or local government units anticipated because of the proposed rules.

A. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

There is no expected increase or decrease in revenues to other state or local government units, nor are there cost increases or reductions on other state or local government units anticipated because of the proposed rules.

12. Discuss any program, service, duty or responsibility imposed upon any city, county, town, village, or school district by the rule(s).

The proposed rules do not impose any program, service, duty, or responsibility upon any city, county, town, village, or school district.

A. Describe any actions that governmental units must take to be in compliance with the rule(s). This section should include items such as record keeping and reporting requirements or changing operational practices.

No action needs to be taken in order for governmental units to be in compliance with the rule(s).

13. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rule(s).

State and local government units will incur no additional expenditures because of implementing the proposed rules. Therefore, no appropriation or funding source is necessary.

**Rural Impact:**

14. In general, what impact will the rule(s) have on rural areas?

No disparate impact is anticipated on rural areas because of the proposed rules.

A. Describe the types of public or private interests in rural areas that will be affected by the rule(s).

No disparate impact of public or private interests is anticipated on rural areas because of the proposed rules.

**Environmental Impact:**

15. Do the proposed rule(s) have any impact on the environment? If yes, please explain.

No, the proposed rules will have no impact on the environment.

**Small Business Impact Statement:**

16. Describe whether and how the agency considered exempting small businesses from the proposed rule(s).

The public health code authorizes the board and the department to regulate individuals with psychology licenses; not small businesses. Even if a licensee's practice qualified as a small business, the department could not exempt his or her small business because it would create disparity in the regulation of the profession.

17. If small businesses are not exempt, describe (a) how the agency reduced the economic impact of the proposed rule(s) on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rule(s) upon small businesses as described below, per MCL 24.240(1)(a)-(d), or (b) the reasons such a reduction was not lawful or feasible.

The proposed rules are not expected to have an economic impact on small businesses. The proposed rules affect individual licensees rather than small businesses.

**A.** Identify and estimate the number of small businesses affected by the proposed rule(s) and the probable effect on small business.

The department does not collect or have access to information that would allow it to identify and estimate the number of small businesses that may be affected. It is impossible to estimate the number of small businesses affected by the proposed rules. The only small businesses impacted by these rules are health practitioners practicing in small business settings. The department does not track or have access to this type of information since it is not a data repository. The rules do not affect the operation of the small business. The probable impact on small business is small.

**B.** Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

Because the proposed rules pertain to individuals and not small businesses, they do not have differing compliance or reporting requirements or timetables for small businesses. They are unnecessary for the proposed rules.

**C.** Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

The proposed rules do not impose any reporting requirements.

**D.** Describe how the agency established performance standards to replace design or operation standards required by the proposed rule(s).

The agency did not establish performance standards to replace design or operation standards.

**18.** Identify any disproportionate impact the proposed rule(s) may have on small businesses because of their size or geographic location.

The proposed rules affect individual licensees rather than small businesses. Therefore, the rules are not expected to have a disproportionate impact on small businesses based on size or geographic location.

**19.** Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rule(s).

The proposed rules do not require any reports.

**20.** Analyze the costs of compliance for all small businesses affected by the proposed rule(s), including costs of equipment, supplies, labor, and increased administrative costs.

It is not anticipated that small businesses affected by the proposed rules will incur any additional costs because the proposed rules apply to individuals and not businesses.

**21.** Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rule(s).

The proposed rules, which apply to individuals and not businesses, are not expected to require any legal, consulting, or accounting services in order for small businesses to be able to comply with the proposed rules.

**22.** Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

Since the rules affect individual licensees rather than small businesses, the rules are not expected to cause economic harm or adversely affect a small business' competition in the marketplace.

23. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

The proposed rules impose requirements on individual licensees rather than small businesses. Even if a licensee's practice qualifies as a small business, the department could not exempt his or her small business because it would create disparity in regulation of the profession. Therefore, exempting or setting lesser standards of competence for small businesses is not in the best interest of the public.

24. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

The department is not able to exempt licensees that own a small business. If the department exempted small businesses, it would create a disparity in the regulation of a profession and have a negative impact on public safety.

25. Describe whether and how the agency has involved small businesses in the development of the proposed rule(s).

The proposed rules were developed in consultation with, and approval of (with the exception of rescission of R 338.2527), the Michigan Board of Psychology, whose members include small business employees.

- A. If small businesses were involved in the development of the rule(s), please identify the business(es).

The proposed rules were developed in consultation with, and approval of (with the exception of rescission of R 338.2527), the Michigan Board of Psychology, whose members include small business employees.

**Cost-Benefit Analysis of Rules (independent of statutory impact):**

26. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

While no businesses will be affected by the proposed rules, those individuals who are engaged in the practice of psychology will be affected.

- A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rule(s).

The licensees will be required to comply with the rules.

- B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

There will be no anticipated additional costs imposed upon licensees because of compliance with these proposed rules.

27. Estimate the actual statewide compliance costs of the proposed rule(s) on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

Licensees will continue to have a small cost associated with licensing and renewal. The cost of licensure for a Master's Ed. Ltd. (T.L.L.P.) is \$100.70. The cost of licensure of a Master's Ltd. Psychologist is \$127.25. The cost of licensure of a Master's Ltd. – Relicensure is \$147.25. The cost of licensure of a Doctoral Ed. Ltd. (T.L.L.P.) is \$100.70. The cost of licensure of a Doctoral Ed. Ltd. (Postdoctoral) is \$95.40. The cost of licensure of a Doctoral Ed. Ltd. – Relicensure is \$115.40. The cost of licensure of a Psychologist – by examination is \$159.05. The cost of licensure of a Psychologist – by endorsement is \$159.05. The cost of licensure of a Psychologist – Relicensure is \$179.05.

- A. How many and what category of individuals will be affected by the rules?

All individuals seeking licensure as psychologists will be affected.

**B. What qualitative and quantitative impact does the proposed change in rule(s) have on these individuals?**

The fees involved will be similar to those incurred in other regulated professions.

**28. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rule(s).**

There are no expected reductions in costs to businesses, individuals, groups of individuals, or governmental units because of the proposed rules.

**29. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rule(s). Provide both quantitative and qualitative information, as well as your assumptions.**

The proposed rules use clear, concise language, and implement the statutory requirements for licensing. The clear, concise language allows the public, licensees, and schools to better understand the requirements for licensure.

**30. Explain how the proposed rule(s) will impact business growth and job creation (or elimination) in Michigan.**

The rules are not expected to have a significant impact on business growth, job growth, or job elimination.

**31. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.**

The department does not expect any individuals or businesses to be disproportionately impacted by their industrial sector, segment of the public, business size, or geographical location.

**32. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of a proposed rule(s) and a cost-benefit analysis of the proposed rule(s).**

TOEFL-IBT

<https://www.ets.org/toefl/ibt/about>

National Register of Health Service Psychologists

<https://www.nationalregister.org/>

American Psychological Association

<https://www.apa.org/>

Canadian Psychological Association

<https://cpa.ca/>

Psychological Clinical Science Accreditation System

<http://www.pcsas.org/>

Association of Psychology Postdoctoral and Internship Centers

<https://www.appic.org/>

Association of State and Provincial Psychology Boards

<https://www.asppb.net/default.aspx>

National Association of Credential Evaluation Services

<http://naces.org/>

Illinois

<https://www.idfpr.com/profs/psych.asp>

Indiana

<https://www.in.gov/pla/psych.htm>

Minnesota

<https://mn.gov/boards/psychology/>

New York

<http://www.op.nysed.gov/prof/psych/>

Ohio

<https://www.psychology.ohio.gov/>

Pennsylvania

<https://www.dos.pa.gov/ProfessionalLicensing/BoardsCommissions/Psychology/Pages/default.aspx>

Wisconsin

<https://dsps.wi.gov/pages/BoardsCouncils/Psychology/Default.aspx>

**A.** How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rule(s).

Since the rules are required by statute, no estimates were made.

**Alternatives to Regulation:**

**33.** Identify any reasonable alternatives to the proposed rule(s) that would achieve the same or similar goals. Include any statutory amendments that may be necessary to achieve such alternatives.

Since the rules are required by statute, there are no reasonable alternatives to the proposed rules.

**A.** In enumerating your alternatives, include any statutory amendments that may be necessary to achieve such alternatives.

Since the rules are required by statute, there are no reasonable alternatives to the proposed rules.

**34.** Discuss the feasibility of establishing a regulatory program similar to that in the proposed rule(s) that would operate through private market-based mechanisms. Include a discussion of private market-based systems utilized by other states.

Since the rules are required by statute, private market-based systems cannot serve as an alternative. The licensing and regulation of psychologists are state functions, so a regulatory program independent of state intervention cannot be established. The psychology profession has professional associations that could be considered regulatory mechanisms that are independent of state intervention; however, these professional organizations would provide the public with significantly less protection because membership in these organizations is voluntary. This means an individual who meets the membership requirements, but does not join, would still be able to practice and there would be no way to ensure his or her competency or hold them accountable for harm done to patients.

**35.** Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rule(s). This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

<p>Since the rules are specifically required by statute, there are no reasonable alternatives to the proposed rules. There were no alternatives that the department considered to achieve the intended changes. They are necessary for the administration and enforcement of the licensing process.</p>
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**Additional Information:**

36. As required by MCL 24.245b(1)(c), describe any instructions on complying with the rule(s), if applicable.

<p>The instructions for compliance are included in the rules.</p>
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↓ **To be completed by the ORR** ↓

**PART 4: REVIEW BY THE ORR**

Date RISCBA received:	2-1-2019
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Date RISCBA approved:	<b>2/21/19</b>
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Date of disapproval:	
Explanation:	